

Message Text

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ACTION EB-07

INFO OCT-01 AF-06 IO-11 ISO-00 AGR-05 CEA-01 CIAE-00

COME-00 DODE-00 FRB-03 H-02 INR-07 INT-05 L-03 LAB-04

NSAE-00 NSC-05 PA-01 AID-05 CIEP-01 SS-15 STR-04

ITC-01 TRSE-00 USIA-06 PRS-01 SP-02 FEAE-00 OMB-01

XMB-02 SCS-03 SCA-01 DHA-02 OPIC-03 /108 W

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R 011305Z MAR 76

FM AMEMBASSY MAPUTO

TO SECSTATE WASHDC 4333

INFO USDEL MTN GENEVA

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E.O. 11652: N/A

TAGS: ETRD, EINV, CPRS, MZ

SUBJECT: GSP FOR MOZAMBIQUE

REFJC A) STATE 019769; B) MAPUTO 004

1. WHILE EMBASSY WAS ATTEMPTING TO ANSWER QUESTIONS RAISED PARA 4 OF REF A, NEW WAVE OF NATIONALIZATIONS ORDERED BY PRESIDENT MACHEL FEB 3 AND PUBLISHED IN THE GOVERNMENT GAZETTE FEB 5 HAS AFFECTED ADDITIONAL US-OWNED PROPERTY. ALTHOUGH INFORMATION REGARDING EXTENT OF PROPERTY AFFECTED HAS NOT YET BEEN FULLY DEVELOPED, WE ARE REPORTING WHAT WE HAVE AT THIS TIME.

2. MISSIONARY PROPERTY: AS WAS STATED REF B, MOST OF THE MISSIONARIES OF CHURCHES AFFECTED HAVE EITHER LEFT MOZAMBIQUE OR ARE IMPRISONED WITHOUT CONSULAR ACCESS. WE ARE THEREFORE UNABLE TO DETERMINE EXTENT OF US OWNERSHIP OF MISSION PROPERTY, AND SUGGEST DEPT CONTACT CHURCH MISSION BOARDS IN US (NAZARENES, UNITED METHODIST, FREE METHODIST).

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3. QUESTIONS RAISED PARA 4 REF A: (A) CONTROL OF PROPERTY: WE

BELIEVE THAT MISSION PROPERTY AFFECTED IS UNDER THE CONTROL OF EITHER OR BOTH THE MINISTRY OF HEALTH AND THE MINISTRY OF EDUCATION, AND ARE ADMINISTERED BY LOCAL GPRM AND FRELIMO AUTHORITIES. (B) LEGAL STATUS OF PROPERTY: ACCORDING TO OUR INTERPRETATION OF NATIONALIZATION LAWS, TITLE TO LAND AND BUILDINGS OF MISSIONS NOW RESTS WITH STATE. MEDICAL SUPPLIES AND EQUIPMENT SEIZED ARE BEING USED BY THE LOCAL FRELIMO ADMINISTRATORS. PERSONAL PROPERTY OF MISSIONARIES SIMPLY PASSED ON TO WHOMEVER HAPPENED TO TAKE IT. FOR EXAMPLE, EMBASSY HAS RECEIVED SEVERAL REPORTS THAT PERSONAL AUTO OF DETAINED AMCIT MISSIONARY ARMAND DOLL IS BEING DRIVEN BY POLICE AGENT WHO ARRESTED HIM, AND THAT THIS MAN IS LIVING IN DOLL'S APARTMENT. (C) COMPENSATION OR RESTORATION: SO FAR AS WE KNOW, GPRM HAS NOT REPEAT NOT CONTACTED OWNERS CONCERNING COMPENSATION OR RESTORATION OF MISSION OR PERSONAL PROPERTY, AND IS EXTREMELY UNLIKELY TO DO SO. (D) LEGAL REMEDIES AVAILABLE: UNDER TERMS OF THE JULY 24 DECREE NATIONALIZING THE HOSPITALS AND MISSION SCHOOLS, NO COMPNSATION WAS PROVIDED. THE FEB 5 DECREE PROHIBITS COMPENSATION FOR NATIONALIZED PROPERTIES OWNED BY FOREIGNERS NOT RESIDENT IN MOZAMBIQUE. FOREIGNERS RESIDENT IN MOZAMBIQUE WHO OWNED BUILDINGS WHICH WERE RENTED ARE ONLY ENTITLED TO COMPENSATION FOR THE UNAMORTIZED PORTION OF THEIR OWN INVESTMENT. IN ADDITION TO THESE RESTRICTIONS, NO PRIVATE LEGAL PRACTICE EXISTS IN MOZAMBIQUE. (E) SUGGESTED USG ACTION: GPRM HAS DECREED THAT ALL CONTACTS WITH GOVERNMENT MUST BE MADE THROUGH FOREIGN MINISTRY. EMBASSY SUGGESTS THAT APPROPRIATE APPROACHES BE MADE BY AMBASSADOR AFTER PRESENTATION OF CREDENTIALS. FYI: GSP IS ONLY LEVERAGE WE HAVE ON GPRM. END FYI

4. OTHER US OWNED PROPERTY NATIONALIZED: (A) PROPERTY CONSISTING OF A COMMERCIAL BUILDING IN MAPUTO OWNED BY US CITIZEN AMRITLAL KANJIBHAI OF COLORADO SPRINGS WAS NATIONALIZED AS A RESULT OF FEB 5 DECREE. INFORMATION REGARDING BUILDING AND REGISTRATION OF DEED WAS PRESENTED TO EMBASSY BY OWNER'S BROTHER AND ARE BEING REPORTED AS MAPUTO A-006. TITLE TO THIS BUILDING AND ALL OTHERS AFFECTED BY LATEST DECREE NOW RESTS WITH MONTEPIO DE MOCAMBIQUE, A SEMI-PUBLIC, GOVERNMENT-ADMINISTERED FINANCIAL AGENCY. (B) EMBASSY WAS ALSO ASKED FOR PROCEDURAL ADVICE FROM LOCAL MANAGER OF MOBIL OIL SOUTHERN AFRICA (PTY) LTD. MOSA LIMITED OFFICIAL USE

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IS A SOUTH AFRICAN COMPANY, NOT INCORPORATED AS A MOZAMBIKAN COMPANY, BUT LICENSED TO DO BUSINESS IN THE COUNTRY. IT IS REPORTEDLY 100 PER CENT AMERICAN OWNED. COMPANY IS PRESENTLY ATTEMPTING TO DETERMINE FROM GPRM THE EXTENT OF THE EFFECTS OF THE NATIONALIZATION ON THEIR MOZAMBIQUE PROPERTIES, SO THAT IT MAY FILE A CLAIM WITH GPRM, AND PRESENT DETAILS TO EMBASSY.

5. EMBASSY IS ATTEMPTING TO ASCERTAIN IF OTHER US PROPERTY IS

AFFECTED. A PRELIMINARY CHECK INDICATES THAT NO OTHER COMPANIES WILL BE AFFECTED. FOR EXAMPLE, MAJOR TIRE FACTORY IS SUBSIDIARY OF GENERAL TIRE AND IS BEING FINANCED BY THE EXIMBANK, BUT DOES NOT APPEAR TO BE AFFECTED SINCE IT IS INCORPORATED IN MOZAMBIQUE AND HAS NO PROPERTIES OTHER THAN ITS BUILDING. EMBASSY CANNOT RULE OUT THE POSSIBILITY THAT THERE MAY BE OTHER INDIVIDUAL US CITIZEN PROPERTY OWNERS WHO MAY HAVE BEEN AFFECTED.

6. STATE A-10523 OF DEC 28, 1973, (GUIDANCE TO POSTS ON HANDLING EXPROPRIATIONS) INDICATES THAT COUNTRIES THAT NATIONALIZE US PROPERTY WITHOUT PROMPT AND ADEQUATE COMPENSATION WILL BE INELIGIBLE FOR USG-AGENCY FINANCING. SINCE EXIMBANK HAS FINANCED SEVERAL PROJECTS IN MOZAMBIQUE IN THE PAST AND IS CURRENTLY CONSIDERING THE FINANCING OF A LOCOMOTIVE PURCHASE, REQUEST DEPT KEEP POST CURRENT ON EFFECT OF NATIONALIZATION DEVELOPMENTS ON EXIMBANK FINANCING IN MOZAMBIQUE.
CARSON

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: NATIONALIZATION, PROPERTY TITLES, INDEMNIFICATION
Control Number: n/a
Copy: SINGLE
Draft Date: 01 MAR 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: morefirh
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976MAPUTO00202
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D760079-0637
From: MAPUTO
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t197603108/aaaadrfq.tel
Line Count: 132
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 76 MAPUTO 4
Review Action: RELEASED, APPROVED
Review Authority: morefirh
Review Comment: n/a
Review Content Flags:
Review Date: 07 MAY 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <07 MAY 2004 by woolflhd>; APPROVED <07 JUL 2004 by morefirh>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: GSP FOR MOZAMBIQUE
TAGS: ETRD, EINV, CPRS, MZ
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006